

# MADE OF MONEY

## Are YOU LOANSHARK-PROOF? ANSWERS

	True	False
1. NO, only people with a licence from the Financial Conduct Authority (FCA) can lend. If you don't have a licence, you are lending illegally.		X
2. YES, usually you would be provided with a credit agreement from a lender, which sets out your terms and conditions. One sign that someone is a loan shark is a lack of this paperwork. If they won't offer it to you, avoid the loan!	X	
3. NO, payday lenders may seem very expensive but they have licences from the FCA so they are allowed to charge interest. They can charge whatever they want as there is currently no cap on APR in the UK. People may call them loan sharks but they're legal.		X
4. NO, because they're operating illegally they have no way of legally getting the money back from you (e.g. going to court).		X
5. NO, in fact they can be women and of any age. The old stereotypes are not accurate, so don't make assumptions!		X
6. YES, this is all part of your credit agreement. If you don't have a credit agreement, or the lender changes the amount you owe or the interest repayments without you being notified, they are probably a loan shark.	X	
7. NO, they are breaking the law and you are a victim. Report them to stop other people also getting stung. You won't be prosecuted.		X
8. NO, you should report them as soon as possible. See the facilitator notes for how.		X
9. NO, you always have legal options even if it means a high APR. You could try borrowing from your local credit union if your credit history is poor.		X
10. NO, interest rates vary hugely between lenders. Shop around just like you would anything else. And don't borrow if they won't tell you the APR. It's likely to be a loan shark.		X